

WASHINGTON POST

SAT. 11 APR 1970

Construction Costs Up 7½% in Year

Construction costs rose an average of 7.5 per cent in the year ending March 31, the Dodge services department of McGraw-Hill reported.

This compares with a 6 per cent increase in the cost of construction labor and materials for the 12-month period ending March 31, 1969.

"The primary reason for the sharp climb was an average 5.9 per cent rise in the cost of building materials," said William H. Edgerton, manager of Dodge building cost services. "By comparison, materials prices during the previous fiscal year rose only 1.8 per cent," he added.

Hourly wage rates for building trades were also a catalyst in the climb in building costs, according to Edgerton. The current Dodge survey of construction costs showed an average 9.5 per cent rise in hourly wage rates for building trades craftsmen, compared with a .2 per cent increase in the 12-month period ending March 1969.

According to Dodge, which analyzes construction costs in 158 cities in the United States, gains over the past 12 months

were generally higher in the Northeast. The New England region registered the biggest increase in costs, 8.1 per cent.

The Southeastern and South Central region, and the Mississippi River and West Central region, accounted for the second largest gains, each showing a 7.7 per cent increase in construction costs.

The nation's larger metropolitan areas continue to experience generally larger cost rises.

Dodge noted that in the six months since its last survey, building costs showed a conservative 2.8 per cent rise.

As a result of traditional contract practices in the building trades, he pointed out, contracts generally are terminated and renegotiated during the period of May to September. Edgerton observed that the 28 per cent rise noted from October, 1969, through March, 1970, is significantly greater than the 1.9 per cent rise in costs for the comparable 1968-69 period.

The Dodge survey is based on cost data supplied by building trades unions, contractors and materials suppliers.

} averaging of
materials & labor?